



**GENERAL ASSEMBLY OF THE STATE OF TENNESSEE
FISCAL REVIEW COMMITTEE**

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M E M O R A N D U M

TO: The Honorable Dave Goetz, Commissioner
Department of Finance and Administration

FROM: Bill Ketron, Chairman, Fiscal Review Committee
Charles Curtiss, Vice-Chairman, Fiscal Review Committee

DATE: November 12, 2010

SUBJECT: **Contract Comments**
(Fiscal Review Committee Meeting 11/9/10)

RFS# 317.86-30002 (Edison # 2891)

Department: Finance & Administration/Benefits Administration

Contractor: BlueCross BlueShield of Tennessee, Inc.

Summary: The vendor provides statewide administrative services for the CoverTN program under Plan A, including marketing, eligibility determination, premium collection, and benefit delivery. The proposed amendment extends the current contract for an additional year through December 31, 2011, and reduces the maximum liability by \$12,775,000.

Current maximum liability: \$50,000,000

Proposed maximum liability: \$37,225,000

After review, the Fiscal Review Committee voted to approve the contract amendment.

cc: Ms. Laurie Lee, Executive Director, Benefits Administration
Mr. Robert Barlow, Director, Office of Contracts Review